GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:67
ANSWERED ON:07.02.2017
Fertilizer Subsidy Bill
Kesineni Shri Srinivas

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) The total fertilizer subsidy bill for the current financial year, State-wise including Andhra Pradesh;

(b) The current ratio of use of NPK fertilizers in the country, State-wise;

(c) Whether the Government has taken steps to control the excessive use of NPK fertilizers in the country and if so, the details thereof;

(d) The steps being taken by the Government to enhance domestic production of fertilizers in the country; and

(e) Whether there are any plans to set up new fertilizer manufacturing plants or increase the capacity of any of the existing plants in the country and if so, the details thereof, State-wise including Andhra Pradesh?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND PARLIAMENT AFFAIRS

(SHRI ANANTH KUMAR)

(a) to (e): A statement is laid on the Table of the House

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. *67 TO BE ANSWERED ON 07.02.2017 REGARDING FERTILIZER SUBSIDY BILL ASKED BY SHRI KESINENI NANI.
(a) The total fertilizer subsidy budget provided for the current financial year
2016-17 is as under:

Particulars Amount (in crores)
Indigenous Urea 40000.00
Imported Urea 15100.00
Indigenous P&K Fertilizers 11985.02
Imported P&K Fertilizers 6999.99
City Compost 14.99
Total 74100.00

State/UT-wise figures are not available as the subsidies are being released to fertilizers companies.

(b) : State-wise/UT-wise NPK ratio for the year 2015-16 is enclosed at Annexure I.

(c) : The following measures have been taken to avoid excessive use of NPK fertilizers in the country:-

(i) Government is advocating soil test based balanced use of fertilizers in conjunction with organic sources of plant nutrients like Farm Yard Manure (FYM), Compost, bio-fertilizers and green manuring.

(ii) National Project on Management of Soil Health & Fertility (NPMSH&F) has been taken up from 2008-09 to promote soil test based balanced and judicious use of fertilizers through setting up/ strengthening of soil testing laboratory, trainings and demonstrations on balanced use of fertilizers. Now, this scheme has been subsumed under the Soil Health Management (SHM) component of the National Mission for Sustainable Agriculture (NMSA) from 2014-15.

(iii) Soil Health Card (SHC) scheme has been introduced with an aim to assist all State Governments to evaluate fertility in all farm holdings across the country and issue soil health cards to farmers regularly in a cycle of 2 years. Soil Health Card provides information to farmers on nutrient status of their soil along with recommendations on appropriate dosage of nutrients to be applied for improving

soil health & its fertility.

(iv) In addition, split application and placement of fertilizers, use of slow releasing N-Fertilizers and nitrification inhibitors, growing leguminous crops and use of Resource Conservation Technologies (RCTs) are advocated by Indian Council of Agricultural Research (ICAR). The ICAR also imparts training, organizes frontline demonstrations to educate farmers on these aspects.
(v) 100% Neem Coated urea production was made mandatory w.e.f 25.05.2015. This target was achieved on 01st September, 2015 and 1st December, 2015 for Indigenous Urea and imported urea respectively. Urea manufacturing units are allowed to charge 5% MRP extra from the farmers for Neem Coating of Urea.
Benefits of Neem Coated urea are as under:
1. Increased Nitrogen Use Efficiency (NUE) by 5 to 10%.
2. Promotes balanced use of Fertilizer.
3. Improvement in soil health.
4. Reduction in costs with respect to plant protection chemicals
5. Reduction in pest and disease attack
6. Increase of crop yield is as under:
(i) An increase in yield of paddy to an extent of 5.79%
(ii) An increase in yield of sugarcane to extent of 17.5%
(iii) An increase in yield of maize to the extent of 7.14 per cent
(iv) An increase in yield of Soybean to the extent of 7.4 per cent
(v) An increase in yield of Tur/Red Gram to the extent of 16.88 per cent

It is evident from above that as an average increase of yield is approx. more than 10%.

7. Diversion of highly subsidized urea towards non-agricultural purposes is negligible among farmers after the introduction of the mandatory policy of production and distribution of only Neem coated urea
(d) : In respect of Phosphatic&Potassic sector, the country's dependence on imports is 90% and 100% respectively, either in the form of raw material or finished fertilizers. The Government has been encouraging Indian Companies to establish Joint Ventures abroad in Countries which are rich in fertilizer resources for production facilities with buy back arrangements and to enter into long term agreement for supply of fertilizers and fertilizer inputs to India. In order to boost indigenous production, the Department is also working with the goal of having access to acquisition of the fertilizer raw materials abroad.
The Government of India has notified the New Urea Policy (NUP) - 2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the government. NUP-2015 has led to additional production of approximately 20 LMT as compared to 2014-15, from the existing gas based urea plants and the total production of urea during the year 2015-16 was 244.5 LMT, i.e. the highest ever urea production in the country.

(e): The Government has notified New Investment Policy − 2012 on 2nd January, 2013 and its amendment on 7th October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. At present, Department of Fertilizers has received 6 proposals for setting up of Greenfield and Brownfield (Expansion) the urea projects:
Company Projects Ownership State
Indo-Gulf Fertilizers Limited -Jagdishpur Brownfield Expansion urea project at Jagdishpur. Private Uttar Pradesh
Chambal Fertilizers & Chemicals Limited-Gadepan Brownfield Ammonia-Urea units at Gadepan-Kota. Private Rajasthan
Matix Fertilizers & Chemicals Limited, Panagarh Greenfield/Brownfield Ammonia-Urea Fertilizers Complex at Panagarh. Private West Bengal
Rashtriya Chemicals & Fertilizers Limited-Thal Brownfield Ammonia-Urea Expansion project at Thal. CPSU Maharashtra
Kanpur Fertilizers & Cement Limited Greenfield Project at Jabalpur Private Madhya Pradesh
Nagarjuna Fertilizers & Chemicals Ltd. Brownfield Project at Kakinada, Andhra Pradesh. Private Andhra Pradesh
Only CFCL has submitted the Bank Guarantee as per the norms of NIP − 2012. PSUs are, however, exempted from submitting the Bank Guarantee as per amendment to NIP − 2012.
Each project will add atleast 1.27 MMT of urea to the total indigenous production of the country.
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